

FISCAL NOTE
HB 2681 – SB 2789

February 20, 2006

SUMMARY OF BILL: Requires that no less than 65% of Tennessee BEP funds be spent solely for classroom and instructional position components. Requires LEAs to receive from the BEP in FY06-07 and thereafter no less in state funds than they received in FY05-06.

ESTIMATED FISCAL IMPACT:

Increase Local Govt. Expenditures - \$608,150*

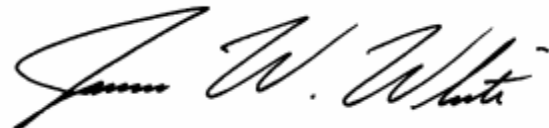
Assumptions:

- Current law requires that BEP funds generated in the instructional component be spent on instructional components and BEP funds generated in the classroom component be spent on classroom or instructional components.
- In FY05-06 the BEP formula generated \$2,863,933,000, of which \$2,221,782,000 or 77.578% was required to be spent in the instructional and/or classroom components.
- With the exception of one LEA (Carroll County), funds are currently being spent in accordance with the mandate of this bill.
- Carroll County currently provides transportation, vocational education, and special education services for the five special school districts in the county. (Total BEP funding for Carroll County is \$1,611,000 x 65% = \$1,047,150 - \$439,000 (currently generated in state BEP funds for the classroom and instructional components) = \$608,150.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director